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No. 91-1705

Supreme Court, U.S.
FILED
MAY 20 1992
OFFICE OF THE CLERK

IN THE

SUPREME COURT OF THE UNITED STATES

October Term, 1991

JACOB H. MALTA, et al.
Petitioners

v.

SCHULMERICH CARILLONS, INC., et al.
Respondents

BRIEF IN OPPOSITION TO A PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Albert W. Preston, Jr.
John P. Donohue, Jr.
Woodcock Washburn Kurtz
Mackiewicz & Norris
One Liberty Place — 46th Floor
Philadelphia, PA 19103
(215) 568-3100
Attorneys for Respondents Schulmerich Carillons, Inc. and Ronald O. Beach

PACKARD PRESS / LEGAL DIVISION, 1617 JFK BOULEVARD, PHILA., PA 19103 (215) 563-9000

QUESTIONS PRESENTED FOR REVIEW

1. Whether the Federal Circuit decision is consistent with applicable precedent or whether there was application of new procedural case law?

2. Whether the award of JNOV was properly affirmed for failure to present substantial evidence under the principles of *Graver Tank*?

3. Whether the District Court and the Federal Circuit properly followed Federal Rule of Civil Procedure 50?

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STATEMENT OF THE CASE

This is a patent infringement case. Plaintiff Malta, the patentee, had the burden of proving that the accused product infringed one or more claims of his patent. In asserting a patent claim, the claim language must be construed and the accused device compared to the claim language.

The patent in suit, U.S. Patent No. 3,941,082 ('082 patent) discloses two different embodiments for the "clapper" portion of the handbell which is the inner swinging portion which strikes the main outside portion

to produce a tone. These two clapper embodiments were described in different figures of the '082 patent, as set forth in the majority opinion A-3. Malta asserted two separate claims at trial, each calling for a respective one of the clapper arrangements. The first asserted claim, claim 2, called for clapper surface portions simply having different degrees of hardness. This claim was found not infringed, and was not an issue on appeal.

Claim 3 in issue, set forth in full at A-3,4, required two salient features, namely a detent mechanism for permitting the clapper to be manually rotated, and a "buttons" feature which provided a specific form of clapper surface for providing different degrees of hardness. The "buttons" limitation in issue reads as follows:

> . . . a plurality of striking buttons positioned in opposed pairs around the outer periphery thereof [of the clapper] and wherein each pair of buttons has a different degree of hardness.

Thus, the claim in issue requires not just clapper surface portions having different degrees of hardness, but a specific buttons way of providing the different hardness surfaces. It was Petitioner's burden at trial to prove that the accused handbells provided different degrees of hardness in the specific buttons way.

Only the presence in the accused handbells of the equivalent of the buttons limitation as set forth above was in issue at trial. Due to the precise language of this limitation, there was no validity issue; and there was no issue concerning the presence of other claim limitations in the accused handbell devices. The majority of the accused handbells had a prior art form of clapper which was entirely round and smooth on its periphery,[1] and admittedly presented striking surfaces with different

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1. The accused handbells actually came in different sizes. The majority of them had a clapper which had an entirely smooth strike surface. Less than half of the bells had a single pair of felt pieces on their clapper.

degrees of hardness. Indeed, the clapper of the accused Schulmerich device was disclosed in a Schulmerich patent which was prior art to the '082 patent, and was the basis for the broader, more generic form of clapper claimed in claim 2 and illustrated in Figure 3 as the first embodiment of the '082 patent in suit.

At trial, Mr. Malta, who testified only as a lay witness,[2] presented many kinds of evidence which purported to support his claim of infringement of both claims 2 and 3. However, there was no comparison evidence submitted by Mr. Malta, testimonial or otherwise, to suggest that the accused clapper provided different degrees of hardness in the same way as did the buttons device of claim 3. There was no handbell introduced into evidence at trial which was purported to contain buttons, so as to provide a device comparison. Neither Petitioner's company nor Schulmerich ever made a commercial bell having buttons. There was no evidence or even argument to the jury that any Malmark handbell was covered by claim 3.[3]

In brief summary, Petitioner's evidence at trial demonstrated only that the clapper of the accused Schulmerich handbell provided different degrees of surface hardness (which, indeed, was admitted to have been the case since before Mr. Malta's patent application was even filed) and that the buttons-type clapper as described and claimed in the patent also provided different degrees of hardness. However, Malta provided no proof or evidence of any sort as to the way that buttons worked. Thus, there was no reference for making a comparison to

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2. It is Respondents' perception that Petitioner's references to Mr. Malta's expert testimony (at pages 5 and 16 of his Petition) constitute misstatements. Mr. Malta was never qualified as an expert.

3. It is Respondents' perception that the Petition is incorrect in stating that there was a demonstration of a handbell product at trial embodying Malta's invention. (Petition, p. 18). Plaintiff made no attempt to prove that its commercial handbells had buttons, and did not even assert such at trial.

buttons. Likewise, there was no comparison evidence that the accused clapper surface had the equivalent of striking buttons on the outer periphery of the clapper as a way of providing surfaces of different degrees of hardness.

Petitioner presented no expert testimony at trial, concerning the equivalence issue or otherwise.

SUMMARY OF THE ARGUMENT

Petitioner's primary position is that of seeking another review of the District Court's JNOV. Although several legal errors are urged, Petitioner in fact seeks to re-argue the evidence. Moreover, Petitioner's argument ignores the patent claim language which is the required reference point of the equivalence issue.

The Federal Circuit affirmance of JNOV was not based on retroactively applied new procedural case law. On the contrary, the majority opinion of affirmance was based clearly on failure of substantial evidence to prove that each prong of the *Graver Tank*[4] equivalency test was met. While the affirmance cited *Lear Siegler*,[5] it was based on failure of sufficient evidence concerning the "way" prong of the *Graver Tank* test, as explained by the Federal Circuit in 1984 in *Nestier*.[6]

Petitioner's Fifth Amendment argument was not raised below prior to the Petition for Rehearing and Suggestion for Rehearing In Banc, and in any event is based on an erroneous reading of the appellate decision.

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4. *Graver Tank Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 85 USPQ 328 (1950).

5. *Lear Siegler, Inc. v. Sealy Mattress Co.*, 873 F.2d 1422, 10 USPQ2d 1767 (1989).

6. *Nestier Corp. v. Menasha Corp.-Lewisystems Div.*, 739 F.2d 1576, 1579, 222 USPQ 747 (Fed. Cir. 1984), *cert. denied*, 470 U.S. 1053 (1985).

The Seventh Amendment argument is simply a reflection of Petitioner's dissatisfaction with the JNOV decision, and reflects not so much an issue of law as a desire to have this Court review the JNOV decision *de novo*.

Petitioner's argument that the Federal Circuit ignored certain of Malta's evidence and considered only two excerpts of Malta's testimony is simply incorrect, as both the District Court and the Federal Circuit considered all of the evidence thoroughly.

There is no conflict between the Federal Circuit majority application of FRCP 50 and controlling Third Circuit precedent, regarding moving for directed verdict with specificity. The notice provisions of Rule 50 were observed. There was no dissent on this issue in the Federal Circuit.

ARGUMENT

1. THE AFFIRMANCE OF JNOV WAS CONSISTENT WITH APPLICABLE PRECEDENT AND WAS NOT BASED ON RETROACTIVELY APPLIED NEW PROCEDURAL CASE LAW.

The affirmance of JNOV was based on the precedent of this Court and the Federal Circuit. Petitioner's premise that new procedural case law was retroactively applied in this case is incorrect and without support in the record. Although the Federal Circuit decision referred to *Lear Siegler* as applicable authority, the majority opinion affirming JNOV was ultimately grounded in the tenets of *Graver Tank* (as explained by the Federal Circuit in *Nestier*). Specifically, it was based on failure of substantial *evidence* to prove that each prong of the *Graver Tank* equivalency test was met. The majority ruling is not limited to the *Lear Siegler* requirement for "particularized testimony," but rather was based upon the absence of sufficient evidence to support the *Graver*

Tank test for equivalence. The majority ruling is supportive of *Graver Tank*, and no issue of law is presented which could be a basis for granting certiorari.

The issue in a nut shell was whether the plaintiff at trial had presented sufficient evidence from which the jury could find that the accused handbells had the equivalent of the claim limitation dealing with buttons. Pursuant to agreement by counsel for both sides, the jury was charged both as to the *Graver Tank* requirement that the accused handbells perform substantially the same function in substantially the same way so as to obtain substantially the same results as the claimed invention; and that infringement under the doctrine of equivalents requires that each and every element of an asserted claim or the equivalent of the element must be present in the accused device.[7] A-6. Thus, under the applicable law, the proper standard of review both for the trial court and for the appellate court was whether there was sufficient evidence that the accused device had the equivalent of the buttons limitation, such that a reasonable jury could so find. The District Court judge and the Court of Appeals majority found that there was a failure of such substantial evidence.

The trial court, in its opinion granting JNOV, did not apply new procedural principles retroactively. The District Court opinion noted "This discrete and specific focus on function, means and result is explicitly required by *Graver Tank*." A-64. The opinion further noted that both *Lear Siegler* and *Nestier* stated that these rules were not new, and that *Lear Siegler* merely repeated in so many words the explication of *Nestier*. A-64, at footnote 7. These principles were known prior to the trial of this case, and thus there was no retroactive application to *Malta*. In *Lear Siegler*, for example, the Federal Circuit observed that counsel for defendant, in seeking JNOV in the trial court, argued that *Nestier*

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7. See *Pennwalt Corp. v. Durand-Wayland, Inc.*, 833 F.2d 931 (*in banc*), *cert. denied*, 485 U.S. 961 (1988).

"required that LSI explicitly delineate to the jury, through testimony and argument, equivalence of function, means, and result. . . ." 873 F.2d 1422, 1425. Thus, *Nestier* was relied upon by trial counsel following a jury verdict and judgment entered in August 1987, which was almost a year prior to the trial in this case. The District Court was entitled to, and indeed required to follow the opinions of the Federal Circuit, a specialized appellate court established by Congress for the purpose of interpreting the patent law.

The ruling of the Federal Circuit from which *certiorari* is sought does not depend upon the *Lear Siegler* "particularized testimony" language. At all times, the majority opinion refers to a lack of evidence. The ruling is not phrased in terms of a failure of "particularized testimony," and is not so limited. It is not a new procedural rule, since it simply requires evidence in accordance with longstanding authority, particularly *Graver Tank*, but also *Pennwalt* and *Nestier*.[8] As an illustration of this, reference is made to Judge Michel's concurring opinion where he states:

> I submit that requiring separate, explicit and substantial comparison *evidence* of each of the three *Graver Tank* aspects of equivalency has been the law at least since 1950 when *Graver Tank* itself was decided. If *Lear Siegler* added gloss thereto, it was on peripheral points *not dispositive* here, such as the requirement of "testimony" (as opposed to other forms of evidence) and "linking argument" (which, being only attorney assertions, is of course not evidence at all). (emphasis added) A-23

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8. In *Nestier*, the Federal Court stated: "At no time did Nestier's attorneys or witnesses present evidence which was explicitly related to the jury in the *Graver Tank* terms of equivalence of functions, means, and result. Analysis of equivalence involves those three factors, and a jury cannot be expected to be able to make any such determination absent evidence and argument concerning the doctrine and each of its elements." 738 F.2d at 1579.

Thus, the *Lear Siegler* language concerning testimony, contrasted to evidence, was specifically not dispositive in this case. Further, as the majority opinion stated: "*Lear Siegler* merely repeats in so many words the explication of *Nestier*. *Nestier* was decided in 1984. This case was not tried until 1988. There has been no retroactive application of law." A-15. The *Nestier-Lear Siegler-Malta* cases make explicit what has always been required by *Graver Tank*, i.e., that there has to be substantial evidence presented to a jury with respect to the three *Graver Tank* elements of equivalence.

2. THE GRANT OF JNOV WAS PROPERLY AFFIRMED BASED ON THE PETITIONER'S FAILURE TO PRESENT SUBSTANTIAL EVIDENCE UNDER THE PRINCIPLES OF *GRAVER TANK*.

The Petitioner simply failed to present sufficient evidence of infringement under the principles of *Graver Tank*. Petitioner, commencing at page 16 of its petition, emphasizes evidence adduced at trial in addition to testimony, and urges that such evidence was ignored, thereby assertedly placing the majority in conflict with *Graver Tank*. A review of the majority opinion as well as the concurring opinion makes it clear that no evidence was ignored, and that this case was not decided on the basis of "particularized testimony," but rather on the basis of insubstantial evidence, and in particular failure of comparison evidence.

Petitioner's suggestion that Malta's "extensive real and demonstrative evidence" was ignored is unsubstantiated. What the majority opinion did was closely consider the evidence to which *Malta* had principally pointed. A-11. Illustration of the insufficiency of the most pertinent evidence does not carry with it a suggestion that other evidence was ignored. Moreover, a careful analysis of the "extensive real and demonstrative evidence" reveals that none of it was relevant to the real issue of equivalence to the claim limitation. Note that

the Petition never deals with the claim language concerning the buttons way of defining different degrees of hardness; indeed, the Petition's only references to buttons are submerged in footnote 18.

Petitioner's footnote 18 illustrates a misapplication of the *Graver Tank* comparison test. Petitioner submits that there is evidence that buttons of differing hardness provide the same way of producing bell tones as using striking surfaces of differing hardness. However, this reverses the test. The reference is the claim language, and the requirement – totally ignored by Petitioner – was to show how the accused strike surfaces compared to the specific language of the buttons limitation. There was simply no such comparison evidence. The evidentiary requirement at trial was not to prove that buttons provided different degrees of hardness; but rather that the accused handbells provided different degrees of hardness in the "buttons" way specified by the claim language.

Petitioner argues that the Federal Circuit majority ignored other testimony by Mr. Malta respecting comparison of the "way" handbell striking surfaces and striking buttons of differing hardness produced bell tones of differing hardness. Note that this characterization, presented at page 17 of the Petition, again misstates the comparison required under *Graver Tank*, since it suggests only that the claimed feature have the characteristics of the accused feature, and not *vice versa*. The evidence asserted by Petitioner in footnote 19 (EA-5 through EA-11) demonstratively makes no suggestion of how the accused clapper surfaces could have the equivalent characteristics of the claimed buttons limitation, but only suggests a conclusory assertion of correspondence. Petitioner had no bell at trial that had real buttons as per claim 3, from which a comparison could be made. The handbell demonstrated by Malta, referenced at page 18 of the Petition, contained the generic striking surfaces embodiment of claim 2 and

Figure 3 of the patent (EA-15), not the claim 3 buttons embodiment illustrated in Figure 7. EA-15.[9]

The Federal Circuit majority opinion properly found insubstantial evidence relating to the *Graver Tank* "way" comparison. To have upheld the jury verdict would have violated the *Graver Tank* requirement of proving that there was a substantially similar "way."

Petitioner's argument is simply re-argument of the evidence. Petitioner's argument is made without any effort to relate it to the claim language in issue, which is the necessary reference point for a determination of equivalence. It is submitted that such argument presents no legal issue and falls far short of the special and important reasons for a grant of a Petition for Writ of Certiorari.

3. THE DISTRICT COURT AND THE FEDERAL CIRCUIT PROPERLY FOLLOWED FEDERAL RULE OF CIVIL PROCEDURE 50.

The Courts below properly held that the principles of Federal Rule of Civil Procedure 50 were observed. The authority urged by Petitioner, *Abraham v. Pekarski,*[10] is at best inapposite.[11] Here, Schulmerich specified non-infringement of the two patent claims in issue. With respect to appealed claim 3, the trial judge and counsel were well aware that the only issue was that of the evidence concerning equivalence of the buttons limitation. As stated in the majority opinion, it was clear

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9. The exhibits presented as EA-3 and EA-4 are not accurate representations of any exhibit actually introduced into evidence.

10. 728 F.2d 167, 171 (3rd Cir. 1984), *cert. denied*, 467 U.S. 1242 (1984).

11. As seen clearly from the reported case, liability and damages issues had been bifurcated. The case came to the Third Circuit on a motion for JNOV as to *punitive damages*. Following the close of the case on *liability*, defendants moved for directed verdict. The Third Circuit held that in referring only to "remaining claims," the motion was plainly addressed only to liability issues, and not the issue of punitive damages. Thus, the case in no way stands for the proposition for which Petitioner submits it.

that the trial judge (and the parties) had no doubt of the grounds stated in support of the motion for directed verdict. (A-9). The requirement of Rule 50 is one of notice, and such notice was fairly given. No issue of law is presented; only Petitioner's desire for a review of the trial court's judgment.[12] There was no dissent below on this question.

CONCLUSION

The Petition should be denied inasmuch as it presents no decision in conflict with a decision of another U.S. Court of Appeals; no conflict with any applicable decision of the Supreme Court; and no departure from the accepted and usual course of judicial proceedings such as to call for the exercise of the Supreme Court's power of supervision.

Respectfully submitted,

ALBERT W. PRESTON, JR.
JOHN P. DONOHUE, JR.
WOODCOCK WASHBURN KURTZ
MACKIEWICZ & NORRIS
One Liberty Place – 46th Floor
Philadelphia, PA 19103

DATE: May 20, 1992

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12. Additionally, it is noted that *Malta* failed to raise any objection concerning specificity in response to Schulmerich's Motion for JNOV, whereby the objection was properly dismissed. *Cox v. City of Freeman, Missouri*, 321 F.2d 887, 891 (8th Cir. 1963); *See also* 9 C. Wright and A. Miller, *Federal Practice and Procedure*, 2533, p. 582 and n. 88 (1971). Malta further failed to object to the motion for directed verdict when made during trial, on any specificity grounds.